

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 8/12/2014	(3) CONTACT/PHONE Nikki J. Schmidt 781-5496	
(4) SUBJECT Request to approve Amendment No. 1 to the Agreement for Services with Mental Marketing Inc. and TJA Advertising in the total amount of \$1,060,000 (\$530,00 per year) to provide marketing services on behalf of the San Luis Obispo County Tourism Business Improvement District (CBID) for FY 2014-15 through FY 2015-16. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board approve Amendment No. 1 to the Agreement for Services with Mental Marketing Inc. and TJA Advertising in the total amount of \$1,060,000 (\$530,00 per year) to provide marketing services on behalf of the San Luis Obispo County Tourism Business Improvement District (CBID) for FY 2014-15 through FY 2015-16.			
(6) FUNDING SOURCE(S) County Business Improvement District Assessment	(7) CURRENT YEAR FINANCIAL IMPACT \$530,000 – FY 2014-15 \$530,000 – FY 2015-16	(8) ANNUAL FINANCIAL IMPACT \$530,000 – FY 2014-15 \$530,000 – FY 2015-16	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>July 24, 2012, item #1</u>	
(17) ADMINISTRATIVE OFFICE REVIEW			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Nikki J. Schmidt, Administrative Office

DATE: 8/12/2014

SUBJECT: Request to approve Amendment No. 1 to the Agreement for Services with Mental Marketing Inc. and TJA Advertising in the total amount of \$1,060,000 (\$530,00 per year) to provide marketing services on behalf of the San Luis Obispo County Tourism Business Improvement District (CBID) for FY 2014-15 through FY 2015-16. All Districts.

RECOMMENDATION

It is recommended that the Board approve Amendment No. 1 to the Agreement for Services with Mental Marketing Inc. and TJA Advertising in the total amount of \$1,060,000 (\$530,00 per year) to provide marketing services on behalf of the San Luis Obispo County Tourism Business Improvement District (CBID) for FY 2014-15 through FY 2015-16.

DISCUSSION

On July 24, 2012, the Board approved an agreement for services with Mental Marketing Inc. and TJA Advertising to provide marketing services on behalf of the CBID. The CBID Advisory Board at their February 26, 2014 meeting discussed a two-year contract extension with Mental Marketing and TJA Advertising to continue to provide marketing agency services. Subsequently at their June 18, 2014 meeting, they approved the July 2014 through June 2016 marketing plan and scope of work as proposed by Mental Marketing and TJA Advertising. Priorities guiding the 24-month plan include:

- Evolving the brand for the unique benefits of our regional offering;
- Increasing overnight stays, length of stays and repeat stays;
- Creating marketing efficiencies throughout the constituency

For specific details, please refer to the marketing plan and scope attached.

OTHER AGENCY INVOLVEMENT/IMPACT

The CBID Advisory Board recommends that Mental Marketing Inc. and TJA Advertising continue to provide marketing agency services to the CBID. Administrative Office staff provides support and acts as the liaison between the County and the CBID. County Counsel reviewed the agreement for form and legal effect.

FINANCIAL CONSIDERATIONS

The CBID is funded by a 2% assessment of the rent charged per occupied room per night from lodging businesses (hotels, motels, bed and breakfasts, and vacation rentals) within the CBID. The agreement with Mental Marketing Inc. and TJA Advertising will be funded completely out of those assessments and no County General Fund dollars will be used. During the term of this amendment, Mental Marketing Inc. and TJA Advertising will be paid a total of \$1,060,000 (\$530,000 for FY 2014-15 and \$530,000 for FY 2015-16) to provide the services as outlined in marketing plan and scope of work attached as Exhibit A of the agreement.

RESULTS

As a facilitator of a requested program, the County has not established performance criteria beyond the legal contractual obligations to expend the funds for identified purposes. The onus is on the designated contractors that are selected by the CBID Advisory to meet the expectations of the lodging business owners paying the assessment. Results for FY 2012-13 and FY 2013-14 can be found in the 2012-2014 Yearend Report attached. The CBID Advisory Board will continue to track the performance of Mental Marketing Inc. and TJA Advertising during the term of this amendment.

ATTACHMENTS

1. Amendment No. 1 to the Agreement for Services
2. July 2014-June 2016 Marketing Plan and Scope of Work
3. 2012-2014 Yearend report
4. CBID meeting minutes: February 16, 2014 and June 18, 2014